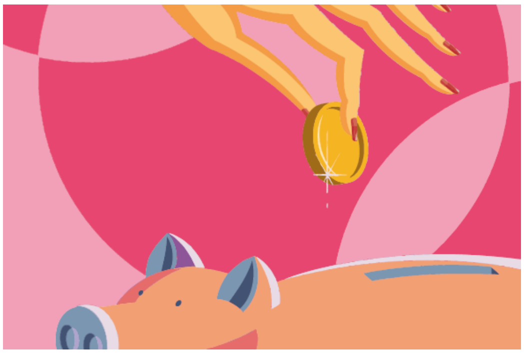


Pensions at a Glance 2013

OECD and G20 Indicators

IRELAND

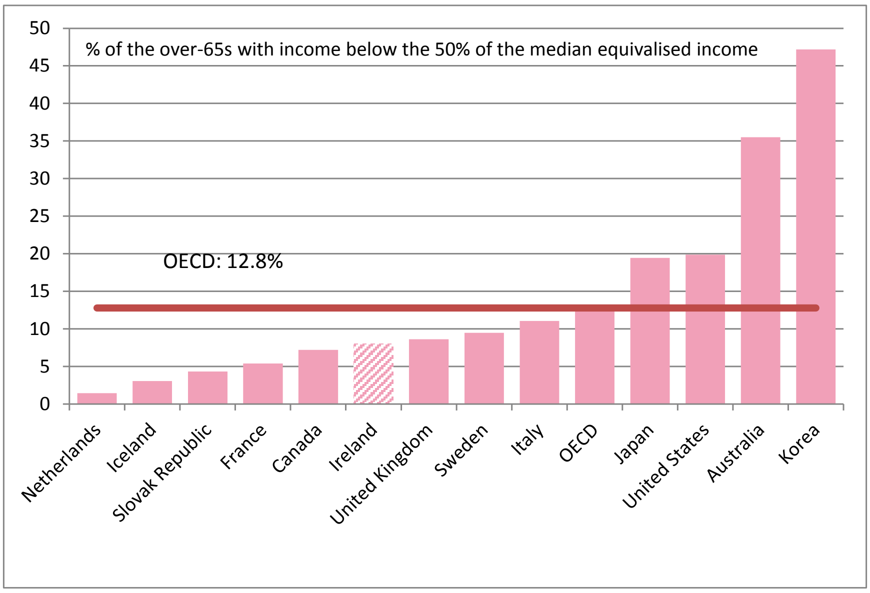
- **Old-age poverty is relatively low and publicly-provided services contribute substantially to maintain adequate living standards of the elderly.**

- **Pension replacement rates for future retirees are among the lowest in the OECD, so additional private savings will be necessary to fill the retirement savings gap.**

In Ireland, 8% of people aged over 65 are income-poor, which is much lower than the OECD average of 12.8%. Public transfers represent 78% of older people's income while the remaining 22% is split between incomes from work (17%) and capital (5%).

Older people in Ireland also benefit from a number of publicly-provided services which contribute to maintaining living standards in retirement. OECD analysis has shown that when the value of services such as health care, eldercare and housing support is taken into account elderly people's incomes increase by 40% on average. Because this effect is larger for people at the bottom of the income distribution, services also contribute to the reduction of old-age poverty.

Income-poverty rates among the over-65s, late 200s



Source: OECD (2013), *Pensions at a Glance 2013, OECD and G20 Indicators*, OECD Publishing.

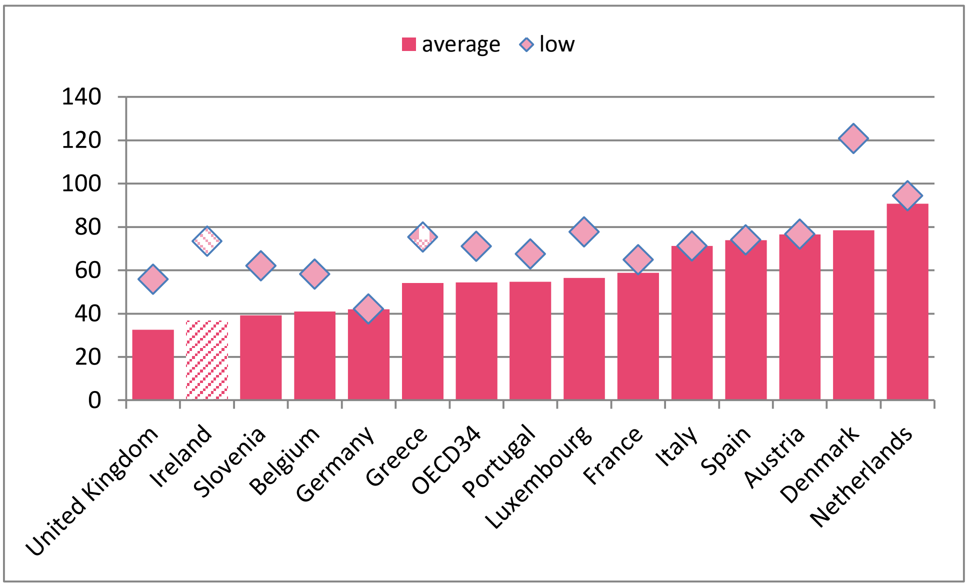
The gross pension replacement rate that an average wage Irish worker can expect after a full-career is among the lowest in the OECD: 36.7% relative to the OECD average of 54.4%. Low-earners, however, are better protected and may expect a gross pension replacement rates of 73.4% compared to 71.0% on average in the OECD. While the vast majority of Irish pensioners receive the contributory pension, the number receiving the non-contributory component has remained roughly constant over time. Recent reforms to the rules of the pension system may result in an increase of the number of retirees on contributory pensions and a reduction in the number of people on non-contributory pensions. (see OECD, 2013)

There is, however, a substantial gender difference in the receipt of public retirement benefits: the majority of men under 70 receive a State pension (contributory) which is not means-tested and higher than the non-contributory State Pension, which the majority of older women receive..

The replacement rate delivered by the Irish basic pension scheme compares favourably with those of basic schemes in the other countries. But of all OECD countries with a basic pension component, only Ireland and New Zealand do not have additional mandatory or quasi-mandatory earning-related pension arrangements.

Voluntary private pensions, both occupational and personal, cover 41% of the employed population. This coverage rate is similar to the ones observed in other OECD countries with voluntary private pension (such as Germany, the United Kingdom and the United States) but lower than the ones observed in countries with mandatory or quasi-mandatory systems. Coverage is also lower in Ireland among low-income earners, younger individuals and women. Increasing coverage is important to reach adequate levels of pension replacement rates to ward off pensioner poverty in the future

Gross pension replacement rates for average and low earners



Notes: the chart shows gross replacement rates coming only from mandatory contributions.

Source: OECD (2013), *Pensions at a Glance 2013, OECD and G20 Indicators*, OECD Publishing.

Key indicators

		Ireland	OECD
Gross replacement rate	Average earner (%)	36.7	54.4
	Low earner (%)	73.4	71.0
Public pension spending	% of GDP	5.1	7.8
Life expectancy	at birth	80.6	79.9
	at age 65	19.1	19.1
Population aged 65 and over	% of working-age population	19.4	25.5
Average worker earnings (AW)	EUR	32 600	32 400

Note: replacement rate is pension entitlement from all mandatory sources of retirement income relative to individual earnings. Calculations are for a full-career worker entering the labour market in 2012. Low earner is assumed to earn 50% of the average.

Source: OECD (2013), *Pensions at a Glance 2013, OECD and G20 Indicators,* OECD Publishing.

Notes to editors:

Pensions at a Glance 2013:
OECD and G20 Indicators

Published 11.00am Paris time on 26 November 2013

The report includes pension indicators for the OECD member countries and G20 economies with 2012 pension rules and parameters. There are two special chapters on (i) distributional impact of reforms; (ii) future retirement income adequacy, the role of housing, financial wealth and publicly provided services.

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OECD
2 rue André Pascal
Paris 75775 Cedex 16
France

For further information, please contact:

OECD Media Relations	Spencer Wilson	spencer.wilson@oecd.org	+ 33 1 45 24 81 18
OECD Social Policy Division	Anna D'Addio	anna.daddio@oecd.org	+ 33 1 45 24 87 09

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